

# NOTICE OF STAKING

## NOTICE OF STAKING

(Not to be used in place of

Application for Permit to Drill Form 3160-3)

1. Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other (Specify)		6. Lease Number <i>UTU-53860</i>	
2. Name of Operator <i>Rosewood Resources, Inc.</i>		7. If Indian, Allottee or Tribe Name	
3. Name of Specific Contact Person <i>Jill Henrie</i>		8. Unit Agreement Name	
4. Address & Phone No. of Operator or Agent <i>P.O. Box 1668 Vernal, UT 84078 435-789-0414 x10</i>		9. Farm or Lease Name	
5. Surface Location of Well  Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.		10. Well No. <i>Shuffleboard 4-27</i>	
15. Formation Objective(s) <i>Uintah B Gas Sands</i>		11. Field or Wildcat Name	
16. Estimated Well Depth  <i>3500'</i>		12. Sec., T., R., M., or Blk. and Survey or Area <i>1100' FSL 800' FWL SWSW SEC 27 T6S R21E SLB&amp;M</i>	
		County or Parish or Borough <i>Uintah</i>	14. State <i>UT</i>
17. Additional Information (as appropriate; shall include surface owner's name, address and, if known, telephone number)			

13. Signed *Jill Henrie* Title *Administrative Assistant* Date *6/3/2005*

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite. Operators must consider the following prior to the onsite.

- a) H<sub>2</sub>S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

RECEIVED

JUN 08 2005

DIV. OF OIL, GAS & MINING

IMPORTANT: SEE REVERSE SIDE FOR INSTRUCTIONS  
BILLING CODE 4310-54-C

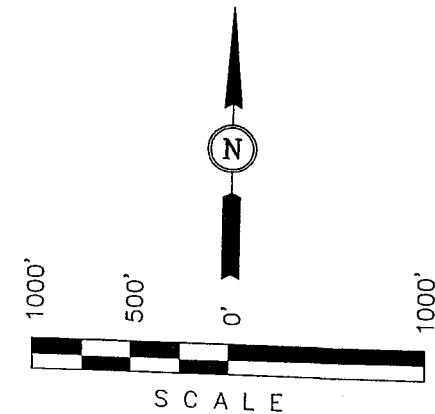
T6S, R21E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, SHUFFLEBOARD #4-27, located as shown in the SW 1/4 SW 1/4 of Section 27, T6S, R21E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 27, T6S, R21E, S.L.B.&M. TAKEN FROM THE VERNAL SE QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4801 FEET.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Robert H. Hays*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

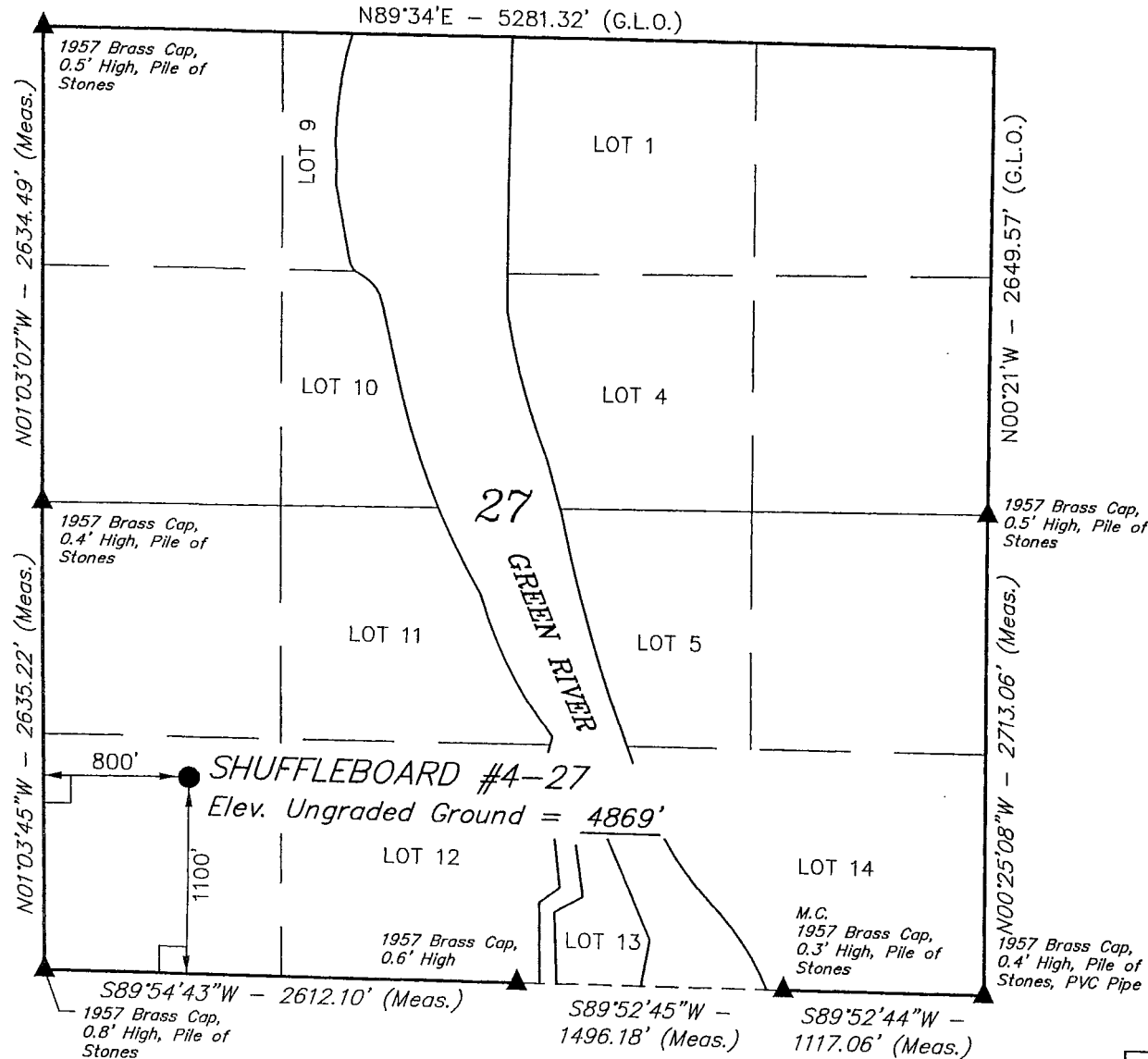
### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)  
LATITUDE = 40°15'56.54" (40.265706)  
LONGITUDE = 109°32'54.41" (109.548447)  
(AUTONOMOUS NAD 27)  
LATITUDE = 40°15'56.67" (40.265742)  
LONGITUDE = 109°32'51.92" (109.547756)

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 5-16-05	DATE DRAWN: 5-20-05
PARTY S.H. L.M. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE ROSEWOOD RESOURCES, INC.	

# ROSEWOOD RESOURCES, INC.

SHUFFLEBOARD #4-27  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 27, T6S, R21E, S.L.B.&M.

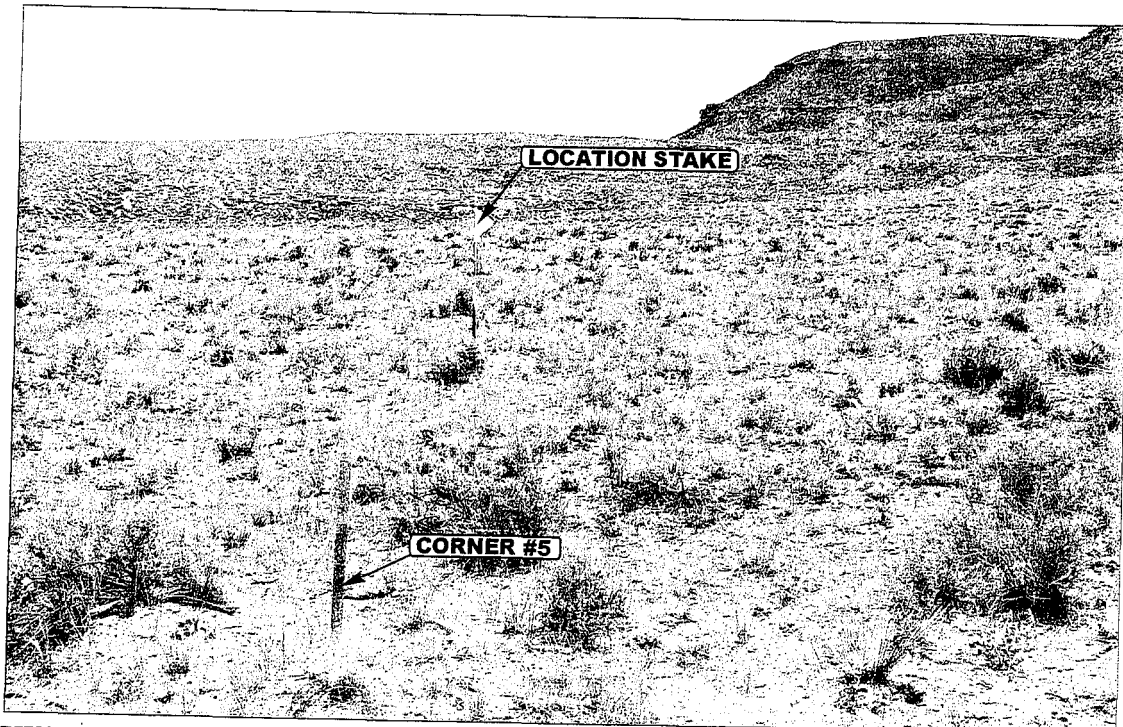


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

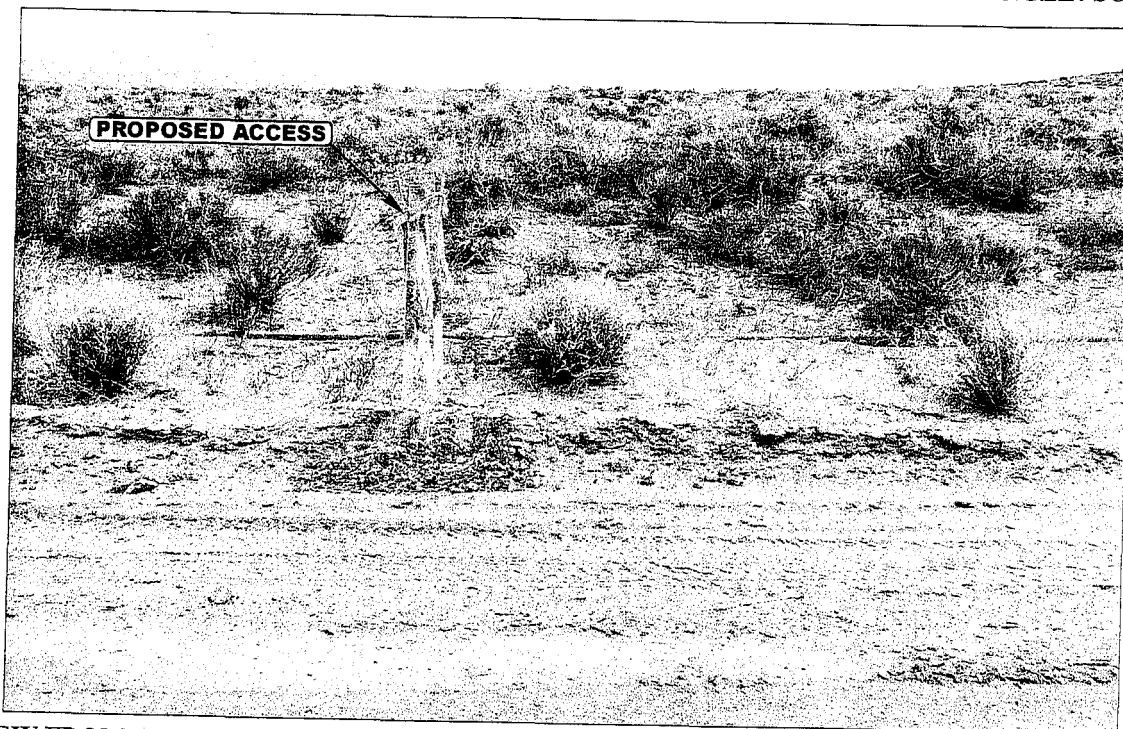


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

05 19 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: S.H.

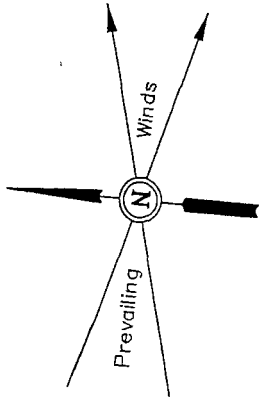
DRAWN BY: C.P.

REVISED: 00-00-00

# ROSEWOOD RESOURCES, INC.

## LOCATION LAYOUT FOR

SHUFFLEBOARD #4-27  
SECTION 27, T6S, R21E, S.L.B.&M.  
1100' FSL 800' FWL



SCALE: 1" = 50'  
DATE: 5-20-05  
Drawn By: K.G.

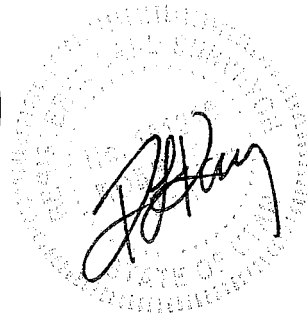
F-6.5'  
El. 62.3'

F-4.6'  
El. 64.2'

Sta. 3+25

Approx.  
Toe of  
Fill Slope

Round Corners  
as Needed



Sta. 1+50

C-3.7'  
El. 72.5'

Approx.  
Top of  
Cut Slope

Sta. 0+00

El. 74.4'  
C-15.6'  
(btm. pit)

C-6.7'  
El. 75.5'

C-10.5'  
El. 79.3'

Proposed Access  
Road

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

Elev. Ungraded Ground at Location Stake = 4869.4'  
Elev. Graded Ground at Location Stake = 4868.8'

El. 69.7'  
C-10.9'  
(btm. pit)

FLARE PIT

El. 70.1'  
C-1.3'

Reserve Pit Backfill  
& Spoils Stockpile

10' WIDE BENCH

Total Pit Capacity  
W/2' of Freeboard  
= 7,500 Bbls. ±  
Total Pit Volume  
= 2,090 Cu. Yds.  
Slope = 1:1

RESERVE PITS  
(10' Deep)

MUD TANKS

35'

RIG

DOG HOUSE

120'

WATER

PUMP

MUD SHED

HOPPER

POWER

TOOLS

FUEL

STORAGE TANK

TRAILER

TOILET

FUEL

TRASH

150'

C-7.4'  
El. 76.2'

3

1

2

4

5

6

7

8

DATA

175'

CATWALK

PIPE RACKS

Topsoil Stockpile

Approx. Toe of Fill Slope

Round Corners as Needed

Approx. Top of Cut Slope

Proposed Access Road

Sta. 3+25

Sta. 1+50

Sta. 0+50

Sta. 0+00

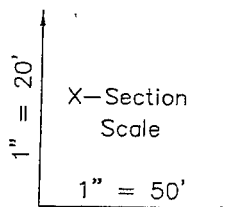
# OSEWOOD RESOURCES, INC.

## TYPICAL CROSS SECTIONS FOR

SHUFFLEBOARD #4-27

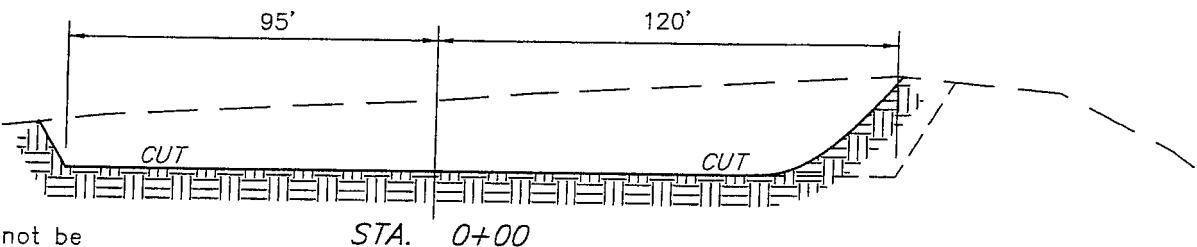
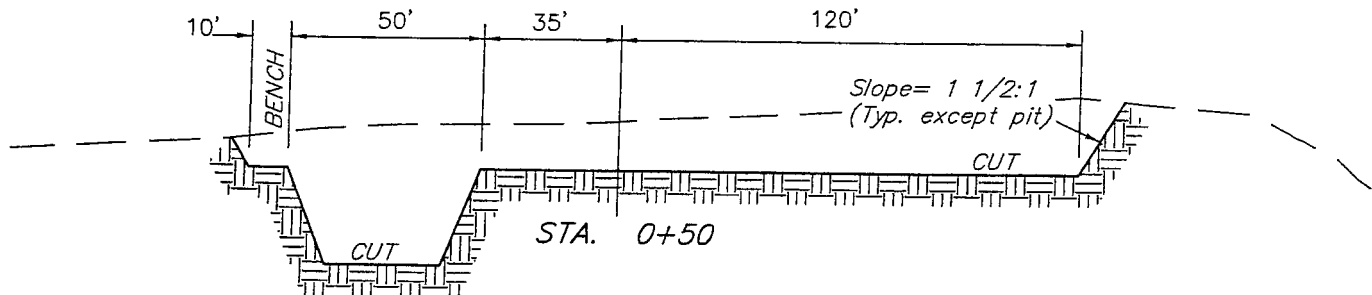
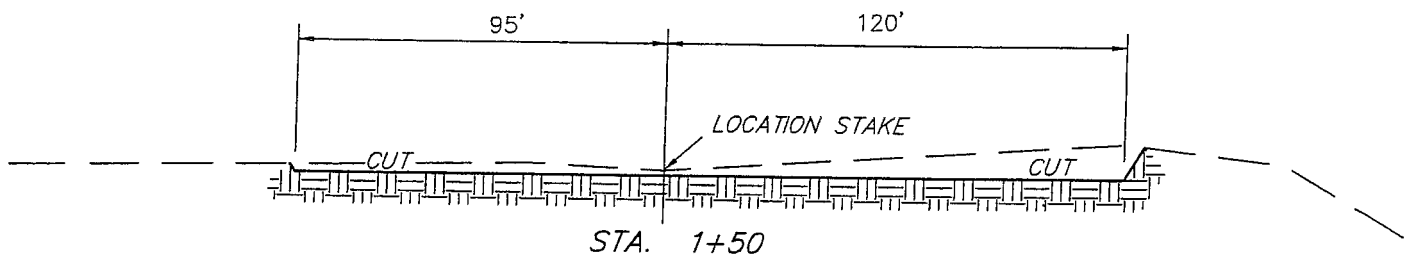
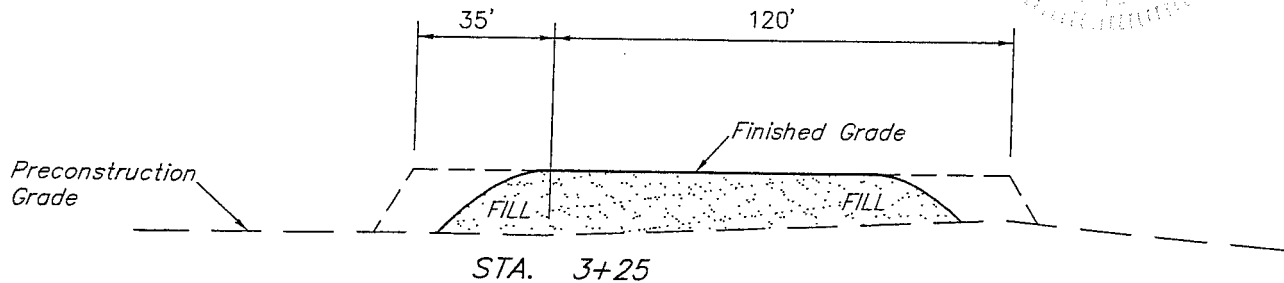
SECTION 27, T6S, R21E, S.L.B.&M.

1100' FSL 800' FWL



DATE: 5-20-05

Drawn By: K.G.



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

### \* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

### APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,300 Cu. Yds.
Remaining Location	= 7,770 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 9,070 CU.YDS.</b>
<b>FILL</b>	<b>= 3,130 CU.YDS.</b>

Excess Material	= 5,940 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,350 Cu. Yds.
<b>EXCESS UNBALANCE (After Rehabilitation)</b>	<b>= 3,590 Cu. Yds.</b>

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1077

**PROPOSED LOCATION:  
SHUFFLEBOARD #4-27**

**SEE TOPO "B"**

**T6S**

**T7S**

HORSESHOE BEND OIL AND GAS FIELD

3.6 MI. +/-

4.2 MI. +/-

VERNAL 16.9 MI. +/-

Johnson Bottom

Brennan Bottom

COURAY NATIONAL  
WILDLIFE REFUGE

**R  
21  
E**

**R  
22  
E**

**LEGEND:**

○ PROPOSED LOCATION

**ROSEWOOD RESOURCES, INC.**

SHUFFLEBOARD #4-27  
SECTION 27, T6S, R21E, S.L.B.&M.  
1100' FSL 800' FWL



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

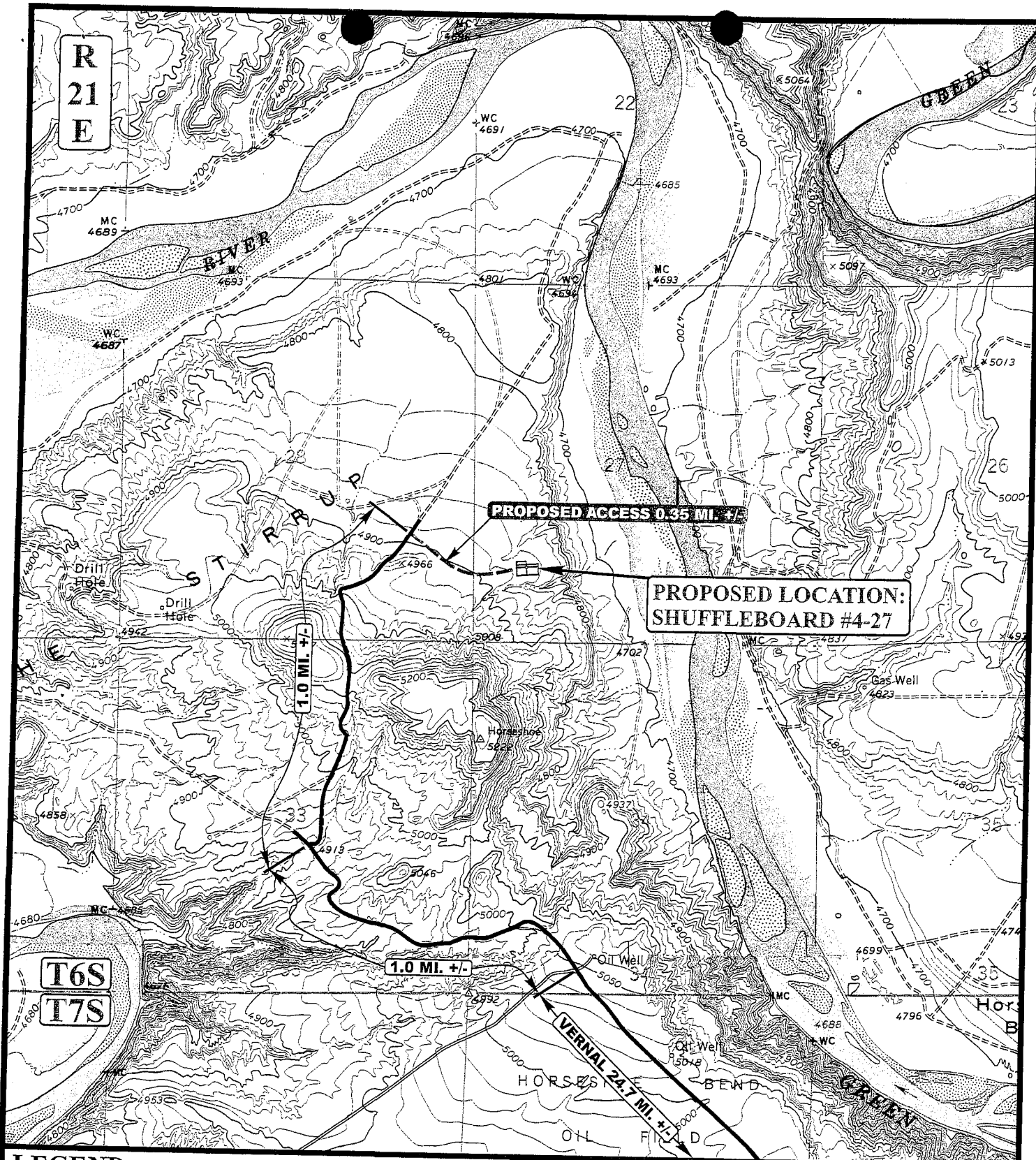


**TOPOGRAPHIC  
MAP**

**05 19 05**  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





# **LEGEND:**

————— EXISTING ROAD  
 - - - - - PROPOSED ACCESS ROAD



**ROSEWOOD RESOURCES, INC.**

**SHUFFLEBOARD #4-27**  
**SECTION 27, T6S, R21E, S.L.B.&M.**  
**1100' FSL 800' FWL**



Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
 MAP

05 19 05  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





R  
21  
E

T6S

EXISTING PIPELINE

TIE-POINT

PROPOSED PIPELINE

PROPOSED ACCESS ROAD

PROPOSED LOCATION:  
SHUFFLEBOARD #4-27

APPROXIMATE TOTAL PIPELINE DISTANCE = 2,967' +/-

**LEGEND:**

PROPOSED ACCESS ROAD  
EXISTING PIPELINE  
PROPOSED PIPELINE

ROSEWOOD RESOURCES, INC.

SHUFFLEBOARD #4-27

SECTION 27, T6S, R21E, S.L.B.&M.

1100' FSL 800' FWL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



TOPOGRAPHIC  
MAP

05 19 05  
MONTH DAY YEAR

SCALE: 1"=1000' DRAWN BY: C.P. REVISED: 00-00-00





**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

LEASE DESIGNATION AND SERIAL NO.

**UTU-53860**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

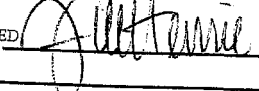
1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			6. IF INDIAN, ALOTTEE OR TRIBE NAME	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> ZONE <input checked="" type="checkbox"/> ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR <b>Rosewood Resources, Inc.</b>			8. FARM OR LEASE NAME <b>Shuffleboard</b>	
3. ADDRESS OF OPERATOR <b>P.O. Box 1668 Vernal, UT 84078</b>			9. WELL NO. <b>#4-27</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface <b>1100' FSL 800' FWL</b> At proposed Prod. Zone <b>SWSW SEC 27 T6S R21E</b>			10. FIELD AND POOL OR WILDCAT <b>Horse shoe Bend</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>Approximately 27 miles South of Vernal, Utah.</b>			11. SEC., T., R., M., OR BLK. AND S/1/2 EY OR AREA <b>SWSW SEC 27 T6S R21E</b> <b>1100' FSL 800' FWL</b>	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dtdg. unit line, if any) <b>800'</b>		16. NO. OF ACRES IN LEASE <b>430</b>	17. NO. OF ACRES ASSIGNED TO THIS WELL <b>40</b>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <b>2940'</b>		19. PROPOSED DEPTH <b>4000'</b>	20. ROTARY OR CABLE TOOLS <b>Rotary</b>	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>4869' ungraded GR</b>			22. APPROX. DATE WORK WILL START* <b>Upon Approval &amp; Rig Availability</b>	
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>12 1/4"</b>	<b>9 5/8"</b>	<b>36#</b>	<b>350'</b>	<b>175 sx - Circulate to surface</b>
<b>7 7/8"</b>	<b>4 1/2"</b>	<b>10.5#</b>	<b>4000'</b>	<b>445 sx - Cement to surface</b>

Rosewood Resources, Inc. proposes to drill a well to 4000' to test the Uinta B Sands formation. If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements. See Onshore Order No. 1 attached.

**CONFIDENTIAL-TIGHT HOLE**

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2

ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED  TITLE Administrative Assistant DATE 8/2/05

(This space for Federal or State office use)

PERMIT NO. 43-047-36987 APPROVAL DATE \_\_\_\_\_  
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY  TITLE BRADLEY G. HILL DATE 08-29-05  
ENVIRONMENTAL SCIENTIST III

**\*See Instructions On Reverse Side**

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Federal Approval of this  
Action is Necessary**

**RECEIVED  
AUG 1 / 2005  
DIV. OF OIL, GAS & MINING**

10S, R21E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, SHUFFLEBOARD #4-27, located as shown in the SW 1/4 SW 1/4 of Section 27, T6S, R21E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 27, T6S, R21E, S.L.B.&M. TAKEN FROM THE VERNAL SE QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4801 FEET.



SCALE

### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*John H. Hays*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

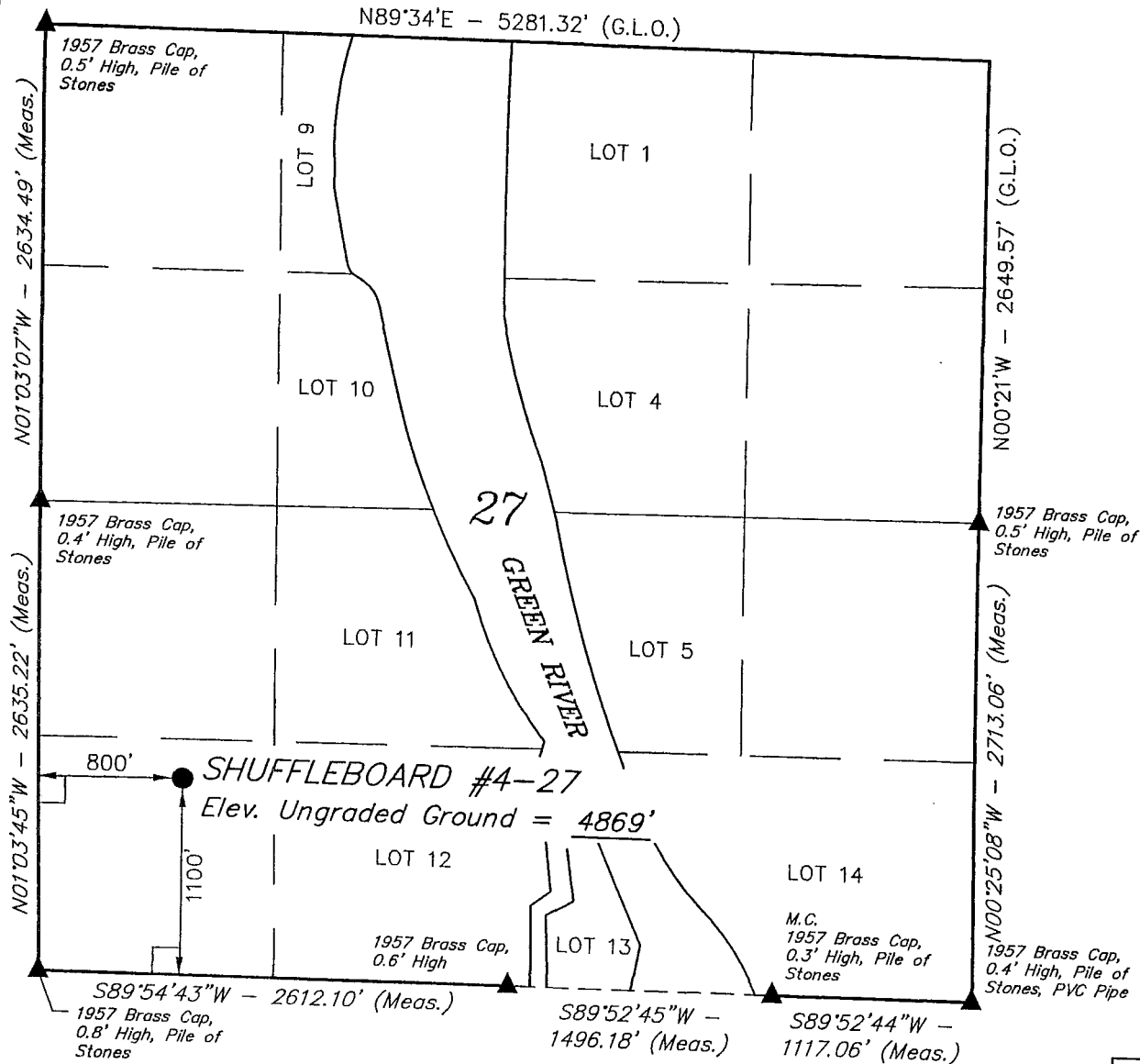
### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)  
LATITUDE = 40°15'56.54" (40.265706)  
LONGITUDE = 109°32'54.41" (109.548447)  
(AUTONOMOUS NAD 27)  
LATITUDE = 40°15'56.67" (40.265742)  
LONGITUDE = 109°32'51.92" (109.547756)

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



## **TABLE OF CONTENTS**

### **DRILLING PROGRAM**

	<b><u>Page No.</u></b>
1. Formation Tops	1
2. Anticipated Depth of Oil Gas & Water	1
3. Blowout Preventer Requirements	1-3
4. Casing and Cement Program	3-6
5. Mud Program	7
6. Testing, Logging and Coring	8-9
7. Abnormal Pressures & H <sub>2</sub> S Gas	9
8. Other Information & Notification Requirements	9-11

### **SURFACE USE PLAN**

1. Existing Roads	1-2
2. Access Roads to be Constructed/Reconstructed	2-3
3. Location of Wells Within 1-Mile Radius	4
4. Proposed Production Facilities	4-6
5. Water Supply	6
6. Construction Materials	6-7
7. Waste Disposal	7
8. Ancillary Facilities	8
9. Wellsite Layout	8-9
10. Reclamation	10-11
11. Surface/Mineral Ownership	11
12. Other Information	11-13
13. Lessee's or Operator's Representatives	14

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 1

ONSHORE OIL & GAS ORDER NO. 1  
Approval of Operations on Onshore  
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Order No. 1 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Pleistocene Alluvium	Surface	+4869'
Uinta B	3359'	+1510
Green River	3719'	+1150
T.D.	4000'	-869

2. Estimated Depth of Anticipated Water, Oil, Gas or Mineral Formations

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas & Oil	Uinta B	3359' - 4000'

All fresh water or prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment

Rosewood's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000# psi W.P.

**ONSHORE ORDER NO. 1**  
**Rosewood Resources, Inc.**  
**Shuffleboard 4-27**  
**1100' FSL 800' FWL**  
**SWSW Sec. 27, T6S, R21E**  
**Uintah County, Utah**

**CONFIDENTIAL- TIGHT HOLE**

**Lease No. UTU-53860**

**DRILLING PROGRAM**

**Page 2**

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure rating of casing. Pressure shall be maintained for at least 10 minutes or until test requirements are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, no more than a 10% decline in pressure in a 30 minute time period will be acceptable. Valve on casinghead below test plug must be open during test.

Annular type preventers shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until test requirements are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. When initially installed
- b. Whenever any seal subject to test pressure is broken
- c. Following related repairs
- d. 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all downstream valves open.

When testing kill line valve(s) the check shall be held open or ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOP safety drill shall be conducted weekly for drilling crews.

Pressure tests shall apply to all related well control equipment.

All prescribed tests and or drills shall be recorded in the daily drilling log.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 3

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in place until well operations are completed. Preventers will be inspected and operated at least daily to ensure good mechanical working order, this will be recorded on daily drilling report.

The BLM District Office shall be notified with sufficient lead time to have their representative on location during BOPE testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment on rigs drilling in this area utilize a 10" 3000# W.P. blowout preventer.
- b. A choke line and a kill line will be properly installed. The kill line will not be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide repeated operation of hydraulic preventers.
- d. Drill string safety valve(s) to fit all tools in the drill string will be maintained on the rig floor while drilling operations are in progress.

4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones and any prospectively valuable mineral deposits. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation sufficient to handle maximum pressure to which it may be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons;

**ONSHORE ORDER NO. 1**  
**Rosewood Resources, Inc.**  
**Shuffleboard 4-27**  
**1100' FSL 800' FWL**  
**SWSW Sec. 27, T6S, R21E**  
**Uintah County, Utah**

**CONFIDENTIAL- TIGHT HOLE**

**Lease No. UTU-53860**

**DRILLING PROGRAM**

**Page 4**

Fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals or unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells.
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells.
- d. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing shall be new or reconditioned tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the AO prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce the contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a preflush fluid, inner string cement method, etc. shall be utilized to help prevent cement contamination.



ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 5

- k. All casing strings below the conductor shall be tested to 0.22 psi per foot of casing length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.
- l. On all exploratory wells and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight anticipated to control the well to the next casing point. This test shall be performed before drilling more than 20' of new hole.

- m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-350'	12 1/4"	9 5/8"	36#	K-55	ST&C	New
Production	0-4000'	7 7/8"	4 1/2"	10.50#	K-55	LT&C	New

- n. Casing design subject to revision based on geological conditions encountered.

- o. The cement program will be as follows:

Surface  
0-350'

Type and Amount  
175 sx Class "G" with 2% CaCl and  
1/4#/sk Flocele.

Production  
0-4000'

Type and Amount  
Lead Slurry: 280 sx 50/50 Poz + 8% Cal-  
Seal + 25# sk Polyflake.

Tail Slurry: 165 sx Class "G" + 10% Cal-  
Seal + 1% CaCl. Top of cement @  
surface.

**ONSHORE ORDER NO. 1**  
**Rosewood Resources, Inc.**  
**Shuffleboard 4-27**  
**1100' FSL 800' FWL**  
**SWSW Sec. 27, T6S, R21E**  
**Uintah County, Utah**

**CONFIDENTIAL- TIGHT HOLE**

**Lease No. UTU-53860**

**DRILLING PROGRAM**

**Page 6**

- p. Anticipated cement tops will be reported as to depth; not the expected number of cement sacks to be used. The District Office will be notified, with sufficient lead to have an AO to witness running all casing strings and cementing.**
- q. After cementing but before commencing any test, the casing shall stand idle until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.**
- r. The following reports shall be filed with the District Office within 30 days of completing work.**

  - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:**

    - a. Setting of each string of casing, showing the size, weight, grade of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated to surface or top of cement behind casing, depth of cementing tools used, casing test method and results and the date performed. Show the Spud date on the first reports submitted.**
    - b. Temperature or bond logs must be submitted for each well where cement was not circulated to surface.**
- s. Auxiliary equipment to be used is as follows:**

  - 1. Kelly Cock Valve**
  - 2. No bit float is deemed necessary.**
  - 3. Sub with full opening valve.**

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 7

5. Mud Program

- a. The proposed circulating mediums to be used during drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-350'	Air/Clear Water	8.3 ppg	---	N/C	---
350-1000'	Clear Water	8.3 ppg	---	N/C	---
1000-4000'	Water/Gel	8.4-9.7	30-40	8	---

There will be sufficient mud on location to control a kick should one occur.

A mud test will be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and PH.

- b. Mud monitoring equipment to be used is as follows:
1. Periodic checks will be made each tour of the mud system. The mud level will be monitored visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian Lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 8

5. Evaluation Program

The anticipated type and amount of testing and coring are as follows:

- a. No Drill Stem Tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of DST tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the AO. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the test string under controlled surface conditions. This would involve some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to run during the test shall have spark arresters or water cooled exhausts.

- b. An AIT/GR/CDL/ML/GR will be run from the surface casing to T.D.
- c. No cores will be run.
- d. Whether the well is completed as a dry hole or a producer, a "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data,

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 9

geologic summaries, sample description and all pertinent information compiled during the drilling, completion and/or workover operations.

e. The anticipated completion program will be to test prospective zones in the Mesa Verde and Wasatch Formations by perforating and fracture stimulation.

f. Daily drilling and completion progress reports shall be submitted to the Vernal Office on a weekly basis.

7. Abnormal Temperatures or Pressures

a. The expected bottom hole pressure is 1500 psi

b. No hydrogen sulfide gas, no abnormal pressures or temperatures are anticipated.

8. Anticipated Starting Dates and Notification of Operations

a. Drilling will commence Upon APD approval and rig availability.

b. It is anticipated that the drilling of this well will take approximately 7 days.

c. The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.

d. No location will be constructed or moved without approval from the AO. If well is plugged or suspended, prior approval from the AO must be obtained and notification given before resuming operations.

e. The spud date will be reported orally to the AO within 48 hours after spudding. If well is spud on a weekend or holiday, the report will be submitted the following regular work day. Follow oral report with Sundry Notice.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

Page 10

- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078
- g. Immediately Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences will be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. A Completion Rig will be moved in following drilling operations. All conditions of this approved plan are applicable during the completion operations.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date the well is put on line.
- j. Pursuant to Onshore Order no. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for a permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day period.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

DRILLING PROGRAM

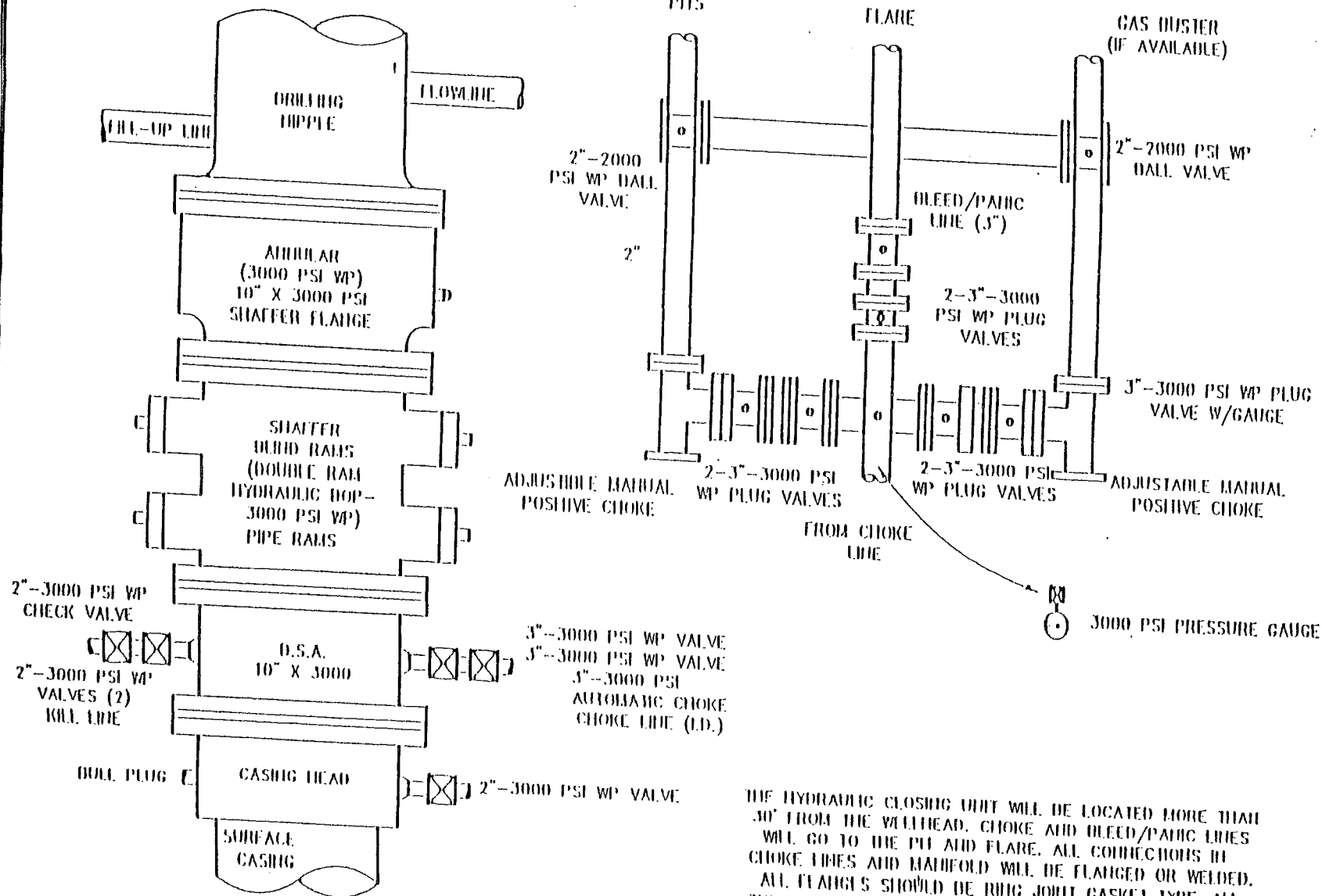
Page 11

- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.)
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will commence without prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following abandonment operations. This report will indicate where plugs were placed and the current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or the surface managing agency.
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see their exploration, development, production and construction operations are conducted in a manner which conforms with applicable Federal, State and Local laws and regulations.



# SCHEMATIC 3000 PSI WORKING PRESSURE

## PLAN VIEW CHOKE MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKE AND BLEED/PANIC LINES WILL GO TO THE PH AND FLARE. ALL CONNECTIONS IN CHOKE LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL TURNS IN LINES SHALL BE CONSTRUCTED USING TARGETING 90° TEES OR ELBS. ALL LINES SHALL BE ANCHORED.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 1

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

- |                                       |                                                                                                                                        |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Location Construction -               | Forty-eight (48) hours prior to construction of location and access roads.                                                             |
| Location Completion -                 | Prior to moving in drilling rig.                                                                                                       |
| Spud Notice -                         | At least twenty-four (24) hours prior to spudding the well.                                                                            |
| Casing String and -<br>Cementing      | Twenty-four (24) hours prior to running casing and cementing all casing strings.                                                       |
| BOPE and Related -<br>Equipment Tests | Twenty-four (24) hours prior to initiating pressure tests.                                                                             |
| First Production -                    | Within five (5) business days after new well begins or production resumes after well has been off line for more than ninety (90) days. |

The onsite inspection for the subject well was conducted on July 26th with the following individuals in attendance.

Holly Villa	Bureau of Land Management
Amy Torres	Bureau of Land Management
Byron Toleman	Bureau of Land Management
Brandon Bowthorpe	Uintah Engineering&Land Survey
Jill Henrie	Rosewood Resources, Inc.
Dennis Atwood	Rosewood Resources, Inc.

1. Existing roads

- a. The proposed well is located approximately 24.7 miles south of Vernal, Utah.

**ONSHORE ORDER NO. 1**  
**Rosewood Resources, Inc.**  
**Shuffleboard 4-27**  
**1100' FSL 800' FWL**  
**SWSW Sec. 27, T6S, R21E**  
**Uintah County, Utah**

**CONFIDENTIAL- TIGHT HOLE**

**Lease No. UTU-53860**

**SURFACE USE PLAN**

**Page 2**

- b. **Directions to the location from the intersection of US HWY 40 and State Road 45 at Naples, Utah are as follows:**

**Proceed South on State Road 45 (paved) for 16.9 miles. Turn West (right) on the Stirrup road (dirt). Proceed 4.2 Miles to fork in the road. Stay to the North (right) at the fork. Proceed 1.0 miles to access road for Shuffleboard 4-27**

- c. **For location of access roads within 2-mile radius, see Maps A & B.**
- d. **.35 miles of existing access (BLM and County Roads) will be necessary to upgrade from existing 2-Track.**
- e. **All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.**
- f. **Existing roads and any newly constructed roads will be maintained in accordance with the standards of the Surface Managing Agency.**

**2. Planned Access Roads**

- a. **The last 0.35 miles of existing two-track will be flat bladed with minimal disturbance. The remainder of the access is maintained by the County Road Dept. or is a BLM road.**
- b. **The maximum grade of the new construction will be approximately 2%.**
- c. **Side cut slopes will be reshaped to 3 to 1 slopes to help visual.**
- d. **No turnouts are planned at this time.**
- e. **There are no major cuts or fills. No culverts and/or bridges will be required.**
- f. **The new access road was centerline flagged at the time of staking.**

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 3

- g. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- h. No cattleguards will be necessary.
- i. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
- j. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. (1989)
- k. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction /upgrading shall include ditching, draining, graveling, crowning and capping the roadbed as necessary to provide a well constructed and safe road. Roads will be hard-packed. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek crossing type. Crossings will be designed to prohibit siltation or accumulation of debris in the crossing nor shall the drainage be blocked by the road. Erosion of barrow ditches by runoff water shall be prevented by diverting water at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- l. If the well is productive, additional water drainage would be added to keep water off the roadway.
- m. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with drilling of this well.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 4

n. No road right-of-way will be required at this time.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location.  
See Map "B".

- a. Water wells – none
- b. Injection wells – none
- c. Producing wells – (1) Shuffleboard #3-27 SWNW SEC27 T6S R21E
- d. Drilling wells – none
- e. Shut-in wells – none
- f. Temporarily abandoned wells – none
- g. Disposal wells – none
- h. Abandoned wells – none
- i. Dry Holes – none

4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including Pumping Units) will be painted Carlsbad Canyon. All facilities will be painted within six months of installation. Facilities required to comply with Occupational Safety and Health Act (OSHA) will be excluded.

**ONSHORE ORDER NO. 1**  
**Rosewood Resources, Inc.**  
**Shuffleboard 4-27**  
**1100' FSL 800' FWL**  
**SWSW Sec. 27, T6S, R21E**  
**Uintah County, Utah**

**CONFIDENTIAL- TIGHT HOLE**

**Lease No. UTU-53860**

**SURFACE USE PLAN**

**Page 5**

- b. If storage facilities/tank batteries are constructed on this lease, they will be surrounded by a containment dike of sufficient capacity to contain 1 ½ times the contents of the largest tank or vessel, unless more stringent protective requirements are deemed necessary by the AO.
- c. Low profile tanks will be used.
- d. A typical production layout is attached. If at the time of production it is determined that an alternate layout is necessary, a Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- e. All load lines will be placed inside the containment dike.
- f. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead, to the meter and 500 feet downstream of the meter run. Meter runs will be housed and/or fenced.
- g. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and on all future calibrations. A copy of the calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 5 for natural gas measurement.
- h. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contradiction in the unit or other lease or boundary change), BLM

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 6

will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the AO.

- i. Any necessary pits will be properly fenced to prevent wildlife entry.
- j. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- k. All off-lease storage, off-lease measurement or commingling on-lease or off-lease will have prior approval from the District Manager.
- l. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- m. The road will be maintained in a safe useable condition.
- n. The pipeline will be 3" welded steel and will be 2967' in length. The pipeline route is shown on Map "C". The pipeline will be buried under or to the side of the road.

5. Location and Type of Water Supply

- a. The proposed water source for this well is the Green River
- b. Water will be hauled over the roads shown on Maps "A" and "B".

6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.



ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 7

- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
  - d. No construction materials will be removed from Federal land.
7. Methods of Handling Waste Disposal
- a. The reserve pit will be constructed so as not to leak, break or allow discharge.
  - b. The reserve pit will be lined with 10 mil. Plastic liner. The liner will overlap the pit walls and be covered with dirt or rocks to hold it in place. No trash, scrap pipe, etc. that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the AO.
  - c. Burning will not be allowed. All trash will be contained in a trash cage and its contents hauled to an approved disposal facility.
  - d. After first production, produced water will be confined to a pit or storage tank for a period not to exceed ninety (90) days. During this time, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with water analysis, will be submitted for the AO's approval.
  - e. Drill cuttings are to be contained and buried in the reserve pit.
  - f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
  - g. A chemical portable-toilet will be furnished with the drilling rig.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 8

8. Ancillary Facilities

There are no airstrips, camps or other facilities currently planned during the drilling of this well.

9. Well Site Layout

- a. The operator or dirt contractor shall contact the BLM Office at (435) 781-4400, forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be on the southwest side of the location.
- c. The flare pit will be located downwind of the prevailing wind direction on the northeast side, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the northeast edge of the location as shown on the Pit & Pad Layout. A separate topsoil pile for the reserve pit reclamation will be located at the east edge of the pit. Topsoil along the access route will be windrowed on the uphill side.
- e. Access to the well pad will be from the west as shown in the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad, cuts and fills.
- g. The location of mud tanks, reserve pit, trash cage, pipe racks and living facilities are also shown on the Location Layout.

**ONSHORE ORDER NO. 1**  
**Rosewood Resources, Inc.**  
**Shuffleboard 4-27**  
**1100' FSL 800' FWL**  
**SWSW Sec. 27, T6S, R21E**  
**Uintah County, Utah**

**CONFIDENTIAL- TIGHT HOLE**

**Lease No. UTU-53860**

**SURFACE USE PLAN**

**Page 9**

- h. During construction, all brush/trees will be removed from the well pad and access road to be stockpiled separately from the topsoil piles as shown in the Pit & Pad Layout.**
- i. All pits will be fenced to the following minimum standards:**

  - 1. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).**
  - 2. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height should be at least 42 inches.**
  - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.**
  - 4. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.**
  - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.**
- j. The reserve pit fencing will be on three sides during the drilling operations and on the fourth side when the rig is moved off the location. Pits will be fenced and maintained until cleanup.**

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 10

10. Plans for Restoration of Surface Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. The plastic nylon reinforced liner shall be torn and perforated before backfilling the reserve pit.
- d. The reserve pit and that portion of the location no needed for production facilities/operations will be contoured to approximate the original contours of the site.
- e. Reclamation of unrequired areas on the well pad/access road no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the AO.

The seed mixture requested by the BLM for reclamation of the drillsite is as follows:

<u>Species</u>	<u>Lbs. PLS/Acre</u>
Four Wing Salt Brush	4
Scarlet Globemallow	4
Needle and Thread Grass	4

Seeding will be performed with approval from AO. The area will be seeded using interim reclamation with native vegetation. Generally seeding is performed in the Fall prior to permanent ground freezing. Seed will be drilled or broadcast and seed walked in with a dozer.

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 11

- f. The topsoil stockpile will be seeded with the above listed seed mixture.

Dry Hole

- g. At such time as the well is plugged and abandoned, the operator shall Subsequent Report of Abandonment and the AO will attach the appropriate surface rehabilitation conditions of approval.

11. Surface Ownership

Access Roads – All roads are county maintained or managed by the BLM.

Well Pad – The well pad is located on lands managed by the BLM.

Mineral Ownership

The minerals are owned by the Federal Government and have been leased by Rosewood Resources, Inc.

12. Other Information

- a. A Class 11 archeological survey has been conducted by Sagebrush Archeology. A copy of this report will be sent to the appropriate agencies by Sagebrush Archeology.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing and/or collecting artifacts from historic or archeological sites. If historic or archeological materials are uncovered during construction, the operator is to immediately halt all operations and contact the AO. Within five working days the AO will inform the operator as to:

ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 12

- wether the materials appear eligible for the National Register of Historic Places;
  - the mitigation measures the operator will likely have to undertake before the site can be used (assuming the site preservation is not necessary); and
  - a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process. The AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide the technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides, pesticides, or other potentially hazardous chemicals.
- d. rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any time without BLM authorization.

- a. All lease and/or unit operations will be conducted in such a manner that full compliance with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice To Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of the approved APD shall be on location during construction and drilling activities.
- b. A complete copy of the APD shall be on location during construction of location and drilling activities.
- c. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices shall be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- d. "Sundry Notice and Report on Wells" (Form 3160-5) will be used to request plan changes and other operations in accordance with 43 CFR 3162.3-2.
- e. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval. After permit termination, a new application will need to be filed for any future operations.
- f. The operator or his contractor shall contact the BLM Offices at (435) 781-4400 48 hours prior to beginning construction activities.
- g. The BLM Office shall be notified upon site completion prior to moving in the drilling rig.
- c. In the event after-hours approval is necessary, please contact one of the following individuals:  
Matt Baker Petroleum Engineer (435)781-4400  
Michael Lee Petroleum Engineer (435)781-4400  
BLM Fax Machine (435)789-3634



ONSHORE ORDER NO. 1  
Rosewood Resources, Inc.  
Shuffleboard 4-27  
1100' FSL 800' FWL  
SWSW Sec. 27, T6S, R21E  
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-53860

SURFACE USE PLAN

Page 14

- d. Rosewood Resources, Inc. is aware that during Burrowing Owl timing (April 1<sup>st</sup> thru Aug 15<sup>th</sup>) the BLM may need to do additional surveys as to whether the Burrowing Owl is present.

11. Lessee's or Operator's Representatives

ROSEWOOD RESOURCES, INC.  
P.O. Box 1668  
Vernal, Utah 84078  
435/789-0414 (O)

Permit Matters

Jill Henrie – 435/789-0414 Ext. 10

Drilling & Completion Matters

Danny Widner – 435/789-0414 Ext. 11 (Office)  
435/828-6100 (Mobile)

**SELF CERTIFICATION**


Please be advised that Rosewood Resources, Inc. is to be considered the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations Conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43- CFR 3104.2.

**CERTIFICATION**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Rosewood Resources, Inc. and it's contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

  
Date: \_\_\_\_\_

Jill Henrie  
Administrative Assistant  
Rosewood Resources, Inc.

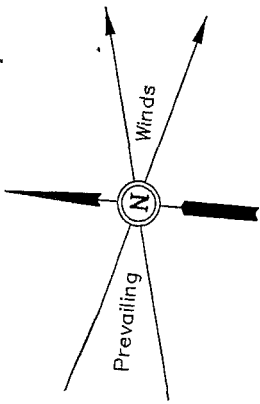
# ROSEWOOD RESOURCES, INC.

## LOCATION LAYOUT FOR

SHUFFLEBOARD #4-27

SECTION 27, T6S, R21E, S.L.B.&M.

1100' FSL 800' FWL



SCALE: 1" = 50'  
DATE: 5-20-05  
Drawn By: K.G.

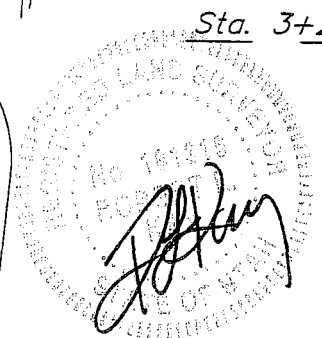
F-6.5'  
El. 62.3'

F-4.6'  
El. 64.2'

Sta. 3+25

Approx.  
Toe of  
Fill Slope

Round Corners  
as Needed



Sta. 1+50

C-3.7'  
El. 72.5'

Approx.  
Top of  
Cut Slope

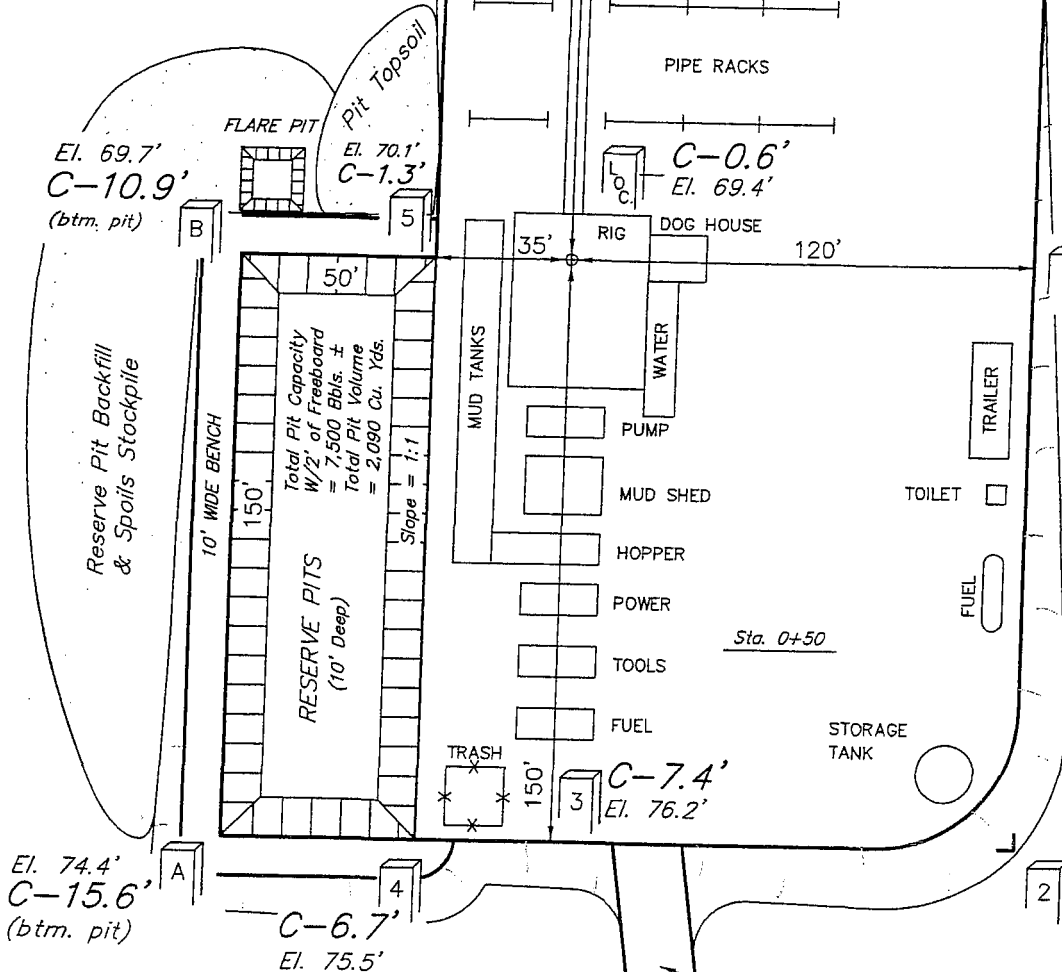
Sta. 0+00

C-10.5'  
El. 79.3'

Proposed Access  
Road

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

1ev. Ungraded Ground at Location Stake = 4869.4'  
1ev. Graded Ground at Location Stake = 4868.8'



# ROSEWOOD RESOURCES, INC.

## TYPICAL CROSS SECTIONS FOR

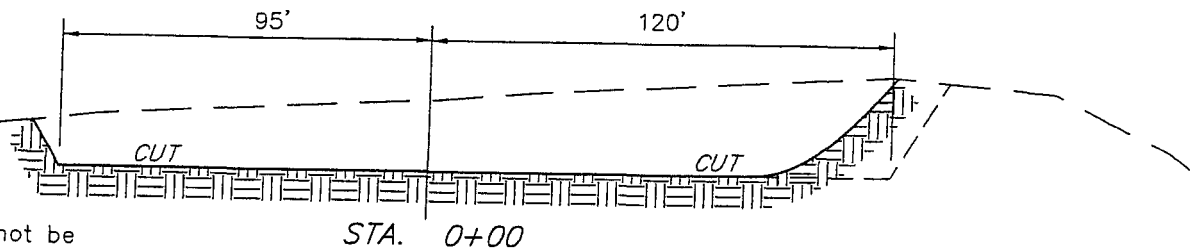
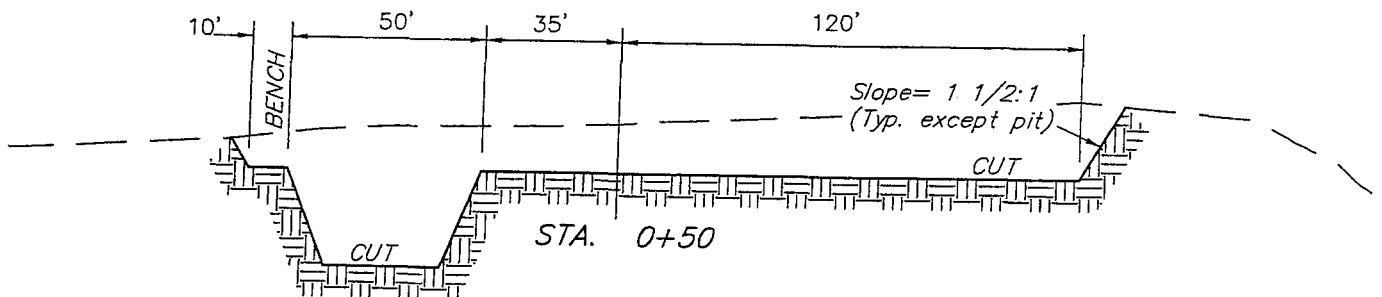
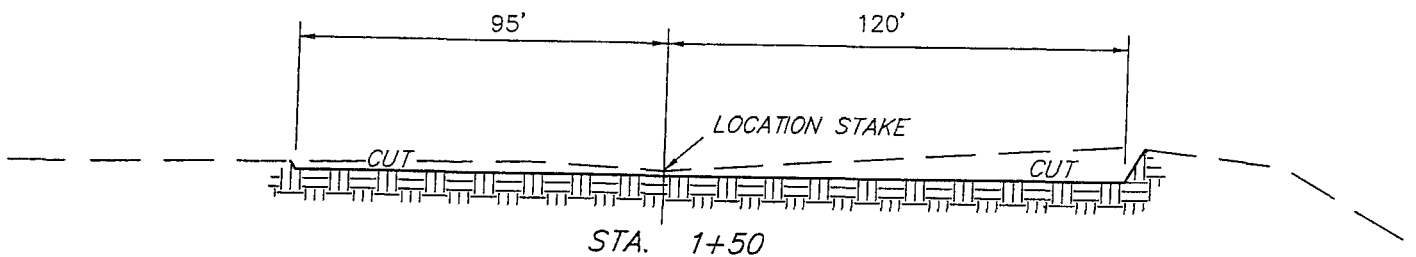
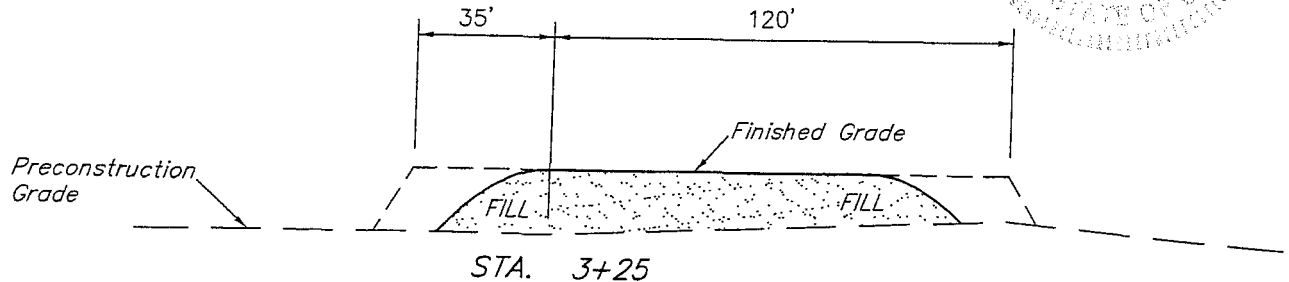
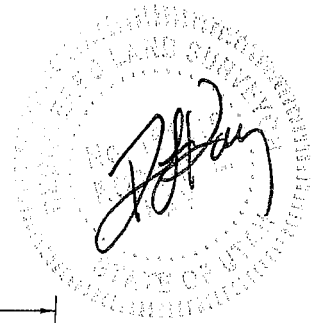
SHUFFLEBOARD #4-27

SECTION 27, T6S, R21E, S.L.B.&M.

1100' FSL 800' FWL

1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 5-20-05  
Drawn By: K.G.



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

### \* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

### APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,300 Cu. Yds.
Remaining Location	= 7,770 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 9,070 CU.YDS.</b>
<b>FILL</b>	<b>= 3,130 CU.YDS.</b>

Excess Material	= 5,940 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,350 Cu. Yds.
<b>EXCESS UNBALANCE (After Rehabilitation)</b>	<b>= 3,590 Cu. Yds.</b>

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# ROSEWOOD RESOURCES, INC.

SHUFFLEBOARD #4-27

LOCATED IN UINTAH COUNTY, UTAH

SECTION 27, T6S, R21E, S.L.B.&M.

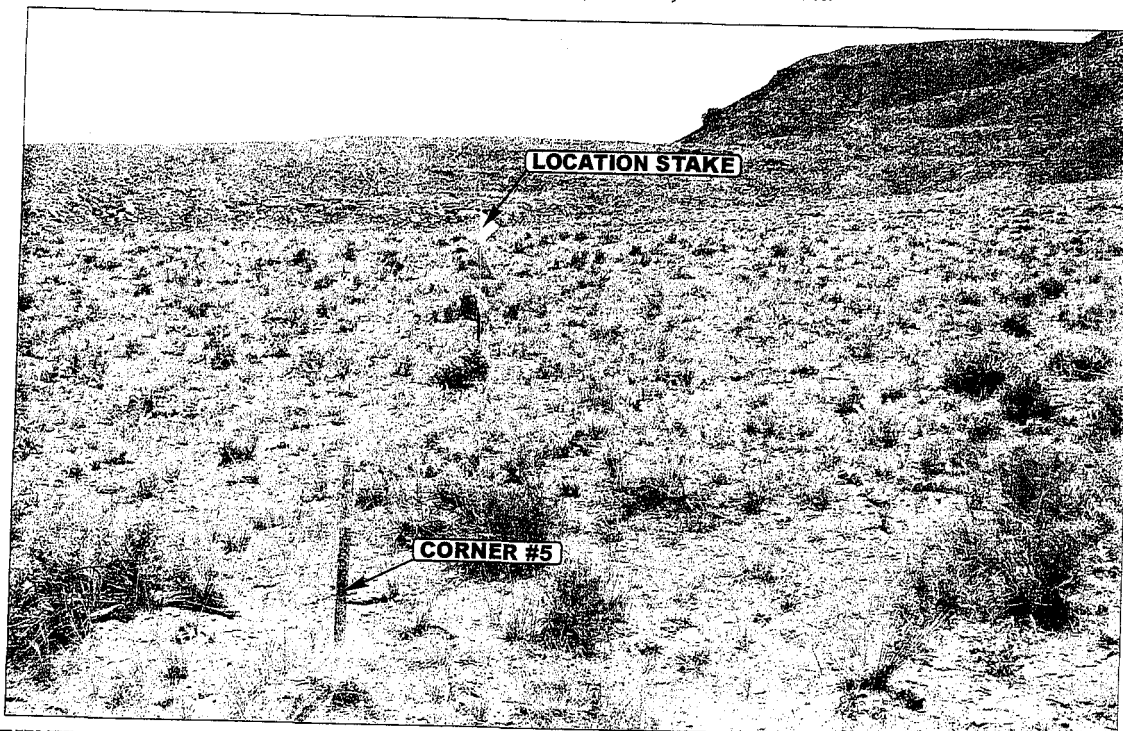


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

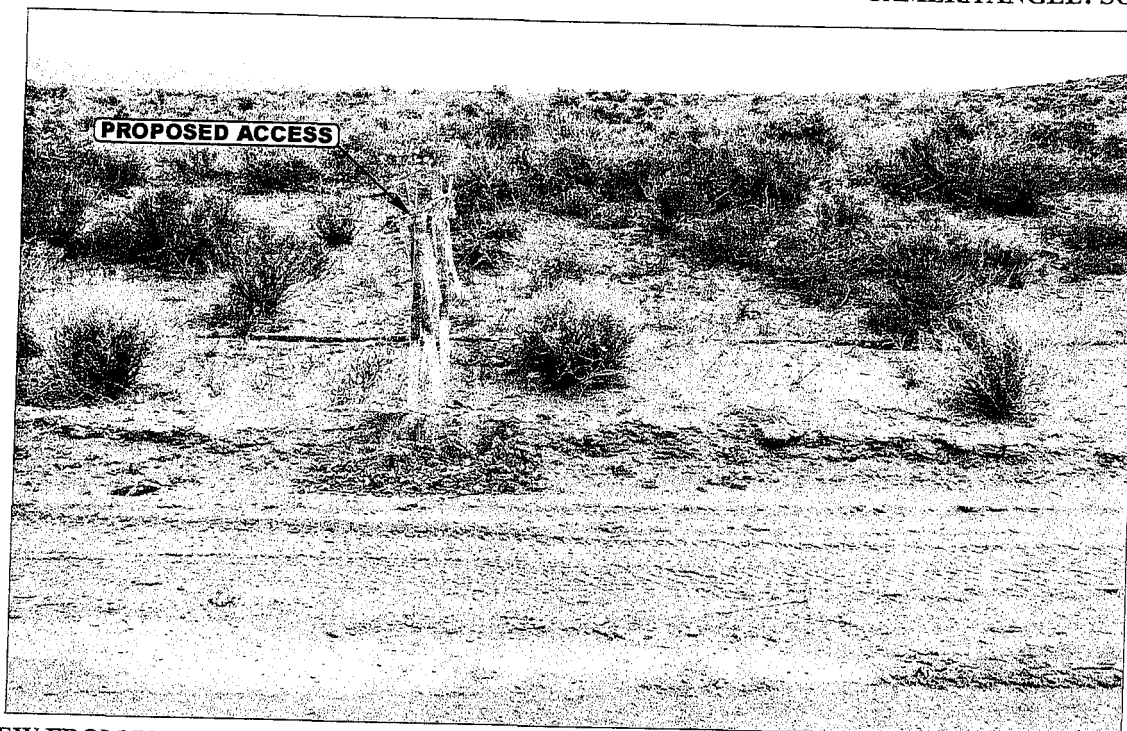


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

**UELS**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

05 19 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: S.H.

DRAWN BY: C.P.

REVISED: 00-00-00

**PROPOSED LOCATION:  
SHUFFLEBOARD #4-27**

**SEE TOPO "B"**

**VERNAL 16.9 MI. +/-**

**3.6 MI. +/-**

**4.2 MI. +/-**

**T6S  
T7S**

**R  
21  
E**

**R  
22  
E**

**LEGEND:**

○ PROPOSED LOCATION

N

**ROSEWOOD RESOURCES, INC.**

**SHUFFLEBOARD #4-27**

**SECTION 27, T6S, R21E, S.L.B.&M.**

**1100' FSL 800' FWL**

**TOPOGRAPHIC  
MAP**

**05 19 05**  
MONTH DAY YEAR

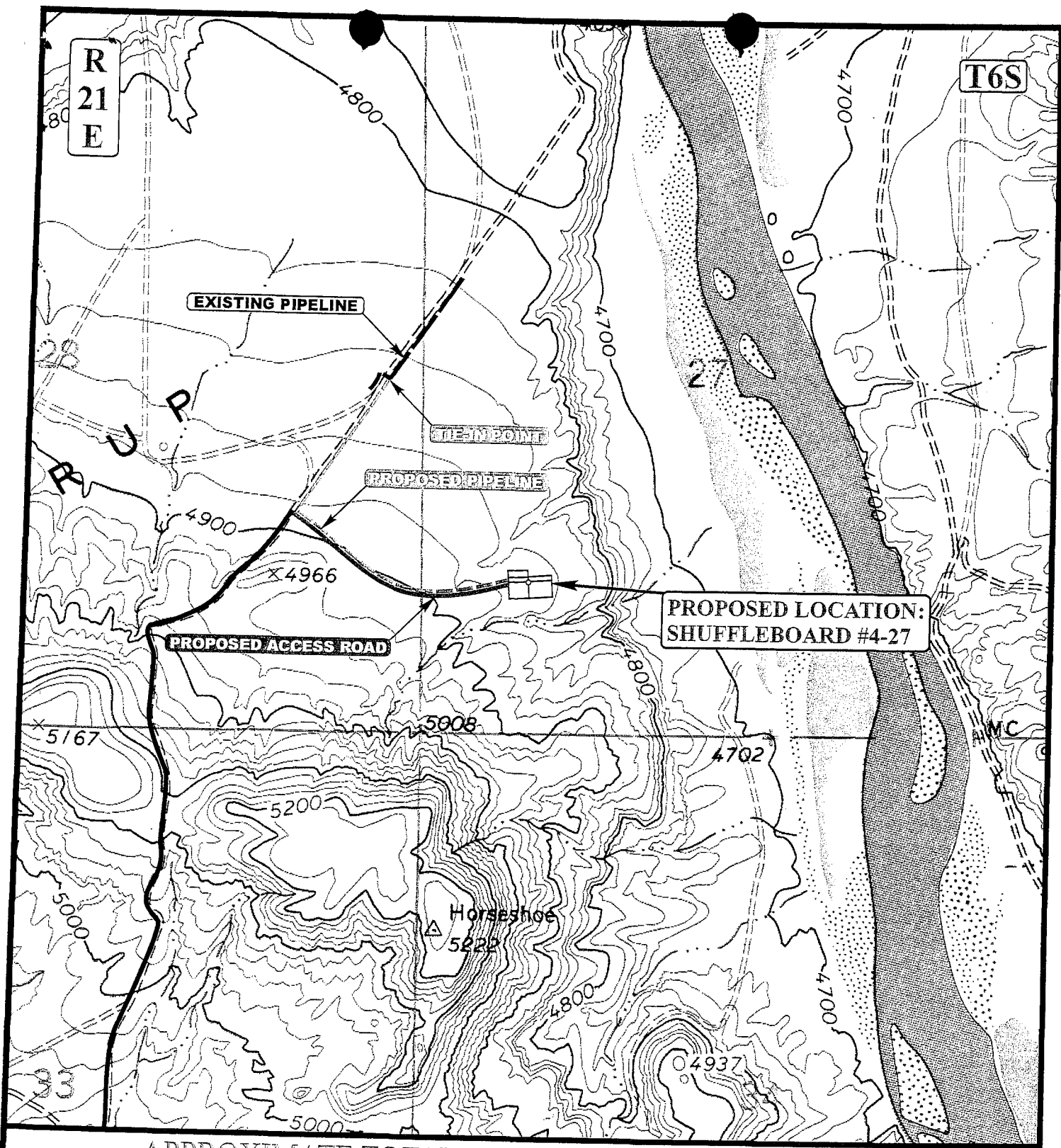
**SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00**

**A  
TOPO**

**U  
E  
S**  
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813







APPROXIMATE TOTAL PIPELINE DISTANCE = 2,967' +/-

**LEGEND:**

— PROPOSED ACCESS ROAD  
--- EXISTING PIPELINE  
--- PROPOSED PIPELINE

N

**ROSEWOOD RESOURCES, INC.**  
**SHUFFLEBOARD #4-27**  
**SECTION 27, T6S, R21E, S.L.B.&M.**  
**1100' FSL 800' FWL**

**U&L S**  
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**05** **19** **05**  
MONTH DAY YEAR

SCALE: 1"=1000' DRAWN BY: C.P. REVISED: 00-00-00

**C**  
**TOPO**



**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/17/2005

API NO. ASSIGNED: 43-047-36987

WELL NAME: SHUFFLEBOARD 4-27

OPERATOR: ROSEWOOD RESOURCES INC ( N7510 )

CONTACT: JILL HENRIE

PHONE NUMBER: 435-789-0414

**PROPOSED LOCATION:**

SWSW 27 060S 210E

SURFACE: 1100 FSL 0800 FWL

BOTTOM: 1100 FSL 0800 FWL

UINTAH

HORSESHOE BEND ( 620 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-53860

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: UNTA

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.26571

LONGITUDE: -109.5478

**RECEIVED AND/OR REVIEWED:**

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. MT-0627 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 49.2202 )  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

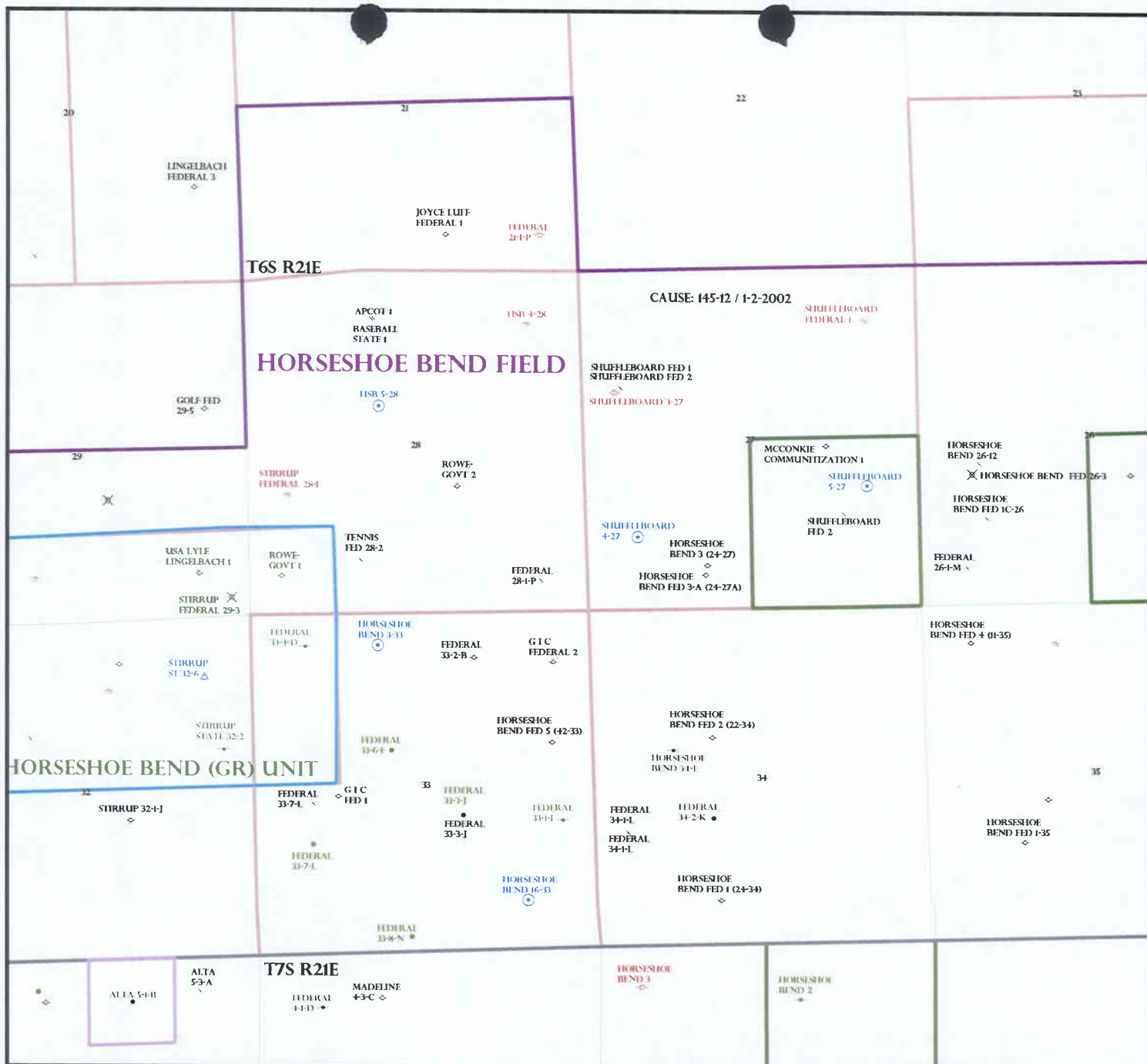
**LOCATION AND SITING:**

\_\_\_\_ R649-2-3.  
Unit \_\_\_\_\_  
\_\_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
\_\_\_\_ R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 145-12  
Eff Date: 1-2-2002  
Siting: 500' Fr bdr of Quarter Section  
\_\_\_\_ R649-3-11. Directional Drill

**COMMENTS:**

**STIPULATIONS:**

1- Federal Approval



OPERATOR: ROSEWOOD RES (N7510)

SEC: 27 T. 6S R. 21E

FIELD: HORSESHOE BEND (620)

COUNTY: UINTAH

CAUSE: 145-12 / 1-2-2002

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

#### Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 25-AUG-2005

# RECEIVED TEMPORARY APPLICATION TO APPROPRIATE WATER

AUG 22 2005

WATER RIGHTS  
VERNAL

## STATE OF UTAH

Rec. by B5W

Fee Paid \$ 75.00 ok 3716

Receipt # 05-03742

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2202

TEMPORARY APPLICATION NUMBER: T75956

(BWHITE)

\*\*\*\*\*

### 1. OWNERSHIP INFORMATION:

LAND OWNED? Yes

A. NAME: Tu and Frum Trucking Inc  
ADDRESS: P. O. Box 146  
Lapoint, UT 84039

B. PRIORITY DATE: August 22, 2005

FILING DATE: August 22, 2005

### 2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Green River

COUNTY: Uintah

### C. POINTS OF DIVERSION -- SURFACE:

- (1) N 300 feet W 3,500 feet from SE corner, Section 21, T 6S, R 21E, SLBM  
DIVERT WORKS: pump into tank trucks and haul to place of use  
(2) N 2,300 feet E 500 feet from SW corner, Section 29, T 6S, R 21E, SLBM  
DIVERT WORKS: pump into tank trucks and haul to place of use

D. COMMON DESCRIPTION: Horseshoe Bend

### 3. WATER USE INFORMATION:

OIL EXPLORATION: from Sep 1 to Aug 31. drilling and completion of oil/gas wells  
- Sep 1, 2005 to Aug. 31, 2006

### 4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST 1/4				NORTH-EAST 1/4				SOUTH-WEST 1/4				SOUTH-EAST 1/4			
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
SL	6S	21E	27	X	X	X	X	***	X	X	X	X	***	X	X	X	X	X	X
			28	X	X	X	X	***	X	X	X	X	***	X	X	X	X	X	X
			32	X	X	X	X	***	X	X	X	X	***	X	X	X	X	X	X
			34	X	X	X	X	***	X	X	X	X	***	X	X	X	X	X	X

RECEIVED

AUG 26 2005

DIV. OF OIL, GAS & MINING

Temporary Appropriation

5. SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).

  
\_\_\_\_\_  
Tu and Frum Trucking Inc



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

August 29, 2005

Rosewood Resources, Inc.  
P O Box 1668  
Vernal, UT 84078

Re: Shuffleboard 4-27 Well, 1100' FSL, 800' FWL, SW SW, Sec. 27, T. 6 South,  
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36987.

Sincerely,

  
Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

Operator: Rosewood Resources, Inc.  
Well Name & Number Shuffleboard 4-27  
API Number: 43-047-36987  
Lease: UTU-53860

Location: SW SW                      Sec. 27                      T. 6 South                      R. 21 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

LEASE DESIGNATION AND SERIAL NO.

UTU-53860

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Rosewood Resources, Inc.		8. FARM OR LEASE NAME Shuffleboard	
3. ADDRESS OF OPERATOR P.O. Box 1668 Vernal, UT 84078		9. WELL NO. #4-27	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface 1100' FSL 800' FWL At proposed Prod. Zone SWSW SEC 27 T6S R21E		10. FIELD AND POOL OR WILDCAT	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SWSW SEC 27 T6S R21E 1100' FSL 800' FWL		12. County Uintah	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 27 miles South of Vernal, Utah.		13. STATE Utah	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest ddg. unit line, if any) 800'	16. NO. OF ACRES IN LEASE 430	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 2940'	19. PROPOSED DEPTH 4000'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4869' ungraded GR		22. APPROX. DATE WORK WILL START* Upon Approval & Rig Availability	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH
12 1/4"	9 5/8"	36#	350'
7 7/8"	4 1/2"	10.5#	4000'
QUANTITY OF CEMENT 175 sx - Circulate to surface 445 sx - Cement to surface			

Rosewood Resources, Inc. proposes to drill a well to 4000' to test the Uinta B Sands formation. If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements. See Onshore Order No. 1 attached.

CONFIDENTIAL-TIGHT HOLE

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Administrative Assistant DATE 8/2/05

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE Assistant Field Manager DATE \_\_\_\_\_  
Mineral Resources

RECEIVED

DEC 20 2005

DIV. OF OIL, GAS & MINING

\*See Instructions On Reverse Side

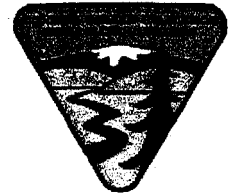
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

4006M  
NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO  
DRILL**

Company:	Rosewood Resources, Inc.	Location:	SESE, Sec 22, T5S, R4W
Well No:	Shuffleboard #4-27	Lease No:	UTU-53860
API No:	43-047-36987	Agreement:	N/A

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

**NOTIFICATION REQUIREMENTS**

Location Construction (Holly Villa ES / NRS)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Holly Villa ES / NRS)	-	Prior to moving on the drilling rig.
Spud Notice (Notify PE)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Jamie Sparger SPT)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Jamie Sparger SPT)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify PE)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.



***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

- If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.
- Paint all facilities Fuller O'Brian color Carlsbad Canyon (2.5Y 6/2). Any paint brand may be used provided the colors match.
- Low profile tanks would be installed.
- The interim seed mix for this location shall be:

Indian Ricegrass	<i>Oryzopsis hymenoides</i>	4 lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	4 lbs. /acre
Western Wheatgrass	<i>Agropyron smithii</i>	4 lbs. /acre

  - All pounds are in pure live seed.
  - Reseeding may be required if first seeding is not successful.
- A survey for Bald Eagle will be conducted first if drilling or construction occurs from November 1 to March 1.
- The lessee/operator is given notice that lands in the lease have been identified as containing critical habit for endangered fish. Modifications may be required in the Surface Use Plan of Operations to protect the endangered fish. This notice may be waived, accepted, or modified by the authorized officer (AO) if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated. The operator shall submit in such a request to the AO in writing. The exception request will be reviewed by the AO and a determination made.
- Topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the resspreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.

## ***DOWNHOLE CONDITIONS OF APPROVAL***

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

1. Casing cementing operations for production casing shall return cement to surface.

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.

6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

**Please submit an electronic copy of all logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location ( $\frac{1}{4}$  Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals

**SUBMIT IN TRIPLICATE**

**1. Type of Well**

☐ Oil Well ☒ Gas Well ☐ Other

**CONFIDENTIAL**

**2. Name of Operator**

ROSEWOOD RESOURCES, INC.

**3. Address and Telephone No.**

P.O. Box 1668, Vernal, UT 435-789-0414

**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)**

SWSW SEC 27 T6S R21E 1100' FSL 800' FWL SLB&M

**5. Lease Designation and Serial No.**

UTU-53860

**6. If Indian, Allottee or Tribe Name**

N/A

**7. If Unit or CA, Agreement Designation**

N/A

**8. Well Name and No.**

Shuffleboard #4-27

**9. API Well No.**

43-047-36987

**10. Field and Pool, or Exploratory Area**

**11. County or Parish, State**

UINTAH CO., UTAH

**12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**TYPE OF SUBMISSION**

☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

**TYPE OF ACTION**

☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other extension  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

**13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)**

Rosewood Resources, Inc. respectfully requests a one year extension on approved APD for above mentioned well.

If you have any questions please feel free to call our office at 435-789-0414 x10

Thank you

Jill Henrie

Administrative Assistant

Rosewood Resources, Inc.

COPY SENT TO OPERATOR  
Date: 10-23-06  
Initials: \_\_\_\_\_

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 10-19-06

COPIES: ORIG. & 2-BLM; DIV. OG&M; DALLAS OFFICE, DENVER OFFICE

**14. I hereby certify that the foregoing is true and correct**

Signed

*Jill Henrie*

Title

Administrative Asst.

Date 10/19/06

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

RESET

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36987  
 Well Name: Shuffleboard 4-27  
 Location: SW SW Sec 27 T6S R21E 1100' FSL 800' FWL  
 Company Permit Issued to: Rosewood Resources, Inc.  
 Date Original Permit Issued: 8/29/05

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒ NA

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Gillette  
 Signature

10/19/06  
 Date

Title: Admin. Asst.

Representing: Rosewood Resources, Inc.



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

December 11, 2007

Jill Henrie  
Rosewood Resources  
PO Box 1668  
Vernal, UT 84078

Re: APD Rescinded –Shuffleboard 4-27 Sec. 27 T. 6S R. 21E  
Uintah County, Utah API No. 43-047-36987

Dear Ms. Henrie:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 29, 2005. On October 19, 2006, the Division granted a one-year APD extension.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 11, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal







# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

UT08300

May 6, 2008

43-047-36987

Jill Henrie  
Rosewood Resources, Inc.  
PO Box 1668  
Vernal, UT 84078

Re: Notice of Expiration  
Well No. Shuffleboard 4-27  
SWSW, Sec. 27, T6S, R21E  
Uintah County, Utah  
Lease No. UTU-53860

Dear Ms. Henrie:

The Application for Permit to Drill the above-referenced well was approved on December 16, 2005. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until December 16, 2007. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

cc: UDOGM

RECEIVED

MAY 08 2008

DIV. OF OIL, GAS & MINING